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S E C R E T SECTION 01 OF 03 KATHMANDU 001674

SIPDIS

DEPT FOR SA/INS
LONDON FOR POL/GURNEY
NSC FOR MILLARD

E.O. 12958: DECL: 08/28/2013

TAGS: [PGOV](#) [PREL](#) [NP](#) [GON](#)

SUBJECT: NEPAL: POLITICAL PARTY LEADERS SEEKING US MEDIATION

REF: A. KATHMANDU 1612

[1](#)B. KATHMANDU 1565

[1](#)C. KATHMANDU 1648

Classified By: Ambassador Michael E. Malinowski for reasons 1.5 (b) and (d).

Summary
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[1](#)1. (S) Mainstream political parties are reassessing plans for a large joint demonstration to be held in the capital on September 4 in light of the Maoists' unilateral decision to break the ceasefire and return to violence. Party leaders have indicated that they are seeking an overture from King Gyanendra--currently in the UK for a medical checkup--toward establishing an all-party interim government and/or reviving Parliament. The parties have quietly asked the Embassy to urge its influence with the Palace. A royal confidant indicated to the Ambassador on August 28 that the Palace may be contemplating such a move. At the same time, however, some in the parties advocate continuing with plans for the rally to demonstrate to their "mass appeal" and to "pressurize" the Palace into accepting an all-party government. We continue to urge the parties and the Government of Nepal (GON) to work together against the Maoist threat. We also have strongly expressed our growing concern that the Maoists may infiltrate the protest, virtually ensuring it will turn violent, and have asked the parties to reconsider the program. End summary.

Inertia or Compromise:
Nepali Congress Seeks Ambassador's Advice
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[1](#)2. (C) On August 29 Sujata Koirala, daughter of Nepali Congress President and former Prime Minister G.P. Koirala, and NC Central Committee member Dr. Suresh Chalise told the Ambassador that the Central Committee will meet on August 29 to decide the agenda for a massive joint party protest planned for September 4 (Ref A). The two said they had been deputed by G.P. Koirala to seek the Ambassador's opinion. The Ambassador asked them to reconsider the program and to work with the security forces to ensure that the Maoists did not utilize the protest as cover for violent acts. Providing security for such a massive rally would, moreover, tax the already over-stretched resources of the police and Army when their full attention and manpower are needed to safeguard the streets against possible acts of terrorism (like the August 25 assassination attempt against former Prime Minister Deuba or the August 28 killing of an Army colonel) by the Maoists. The parties want to hold a peaceful rally, Koirala and Chalise replied, but are fearful that the Palace may use the threat of Maoist violence as a pretext to suppress the demonstration. They undertook to report the Ambassador's concerns to the Central Committee.

[1](#)3. (C) Chalise then pressed the Ambassador for his advice on how to "reactivate" the Constitution. The Ambassador replied that the most obvious choice was for the parties to work with the King. Despite the mistrust on both sides, the parties and the King have the most in common and the most to lose should the Maoists come to power militarily. Now is the time for the parties to come together with the King under a common agenda that should include the principles of multiparty democracy, constitutional monarchy, rule by constitutional processes, national integrity, and empowerment of the people. The NC representatives agreed with the principles but said they suspect that the King does not share the same values. Koirala, echoing her father and others in her party, alleged that the King is in league with the Maoists against democracy. The Ambassador replied that in his meetings with the King, he warns the King not to ignore the political parties. The parties are essential for political support, ideas, and to mobilize the people.

[1](#)4. (S) The Ambassador, drawing on an August 28 conversation with the King's confidant, reported that the King may now be willing to compromise. If Parliament were restored for a limited period, the reform proposals tabled by the GoN at the third round of negotiations (Ref B) could form the basis of

the Parliament's agenda. The Ambassador suggested that the end point of the Parliament could be to lay the groundwork for elections. Koirala and Chalise agreed but stated that they will not talk to the King and cannot negotiate with the "illegitimate" Government. Chalise requested the Ambassador use his good offices to convince the Palace to make an overture toward the parties. He predicted that the September 4 protest will draw party workers from around the country to Kathmandu who will demand a "signal" from the Palace that the constitution will be reactivated. (Note: The King is away in London for an unofficial trip and will not be present for the protests. End note.) Koirala requested the Ambassador to play the role of "facilitator," as a trusted friend. Picking up on the "facilitator" theme, Koirala then asked the Ambassador to try to get the corruption case filed against her by the Commission for the Investigation of the Abuse of Authority (CIAA) dismissed. The case was no more than a politically motivated ploy by the King to undermine the democratic parties, she alleged. The Ambassador did not respond. (Comment: In a country plagued by a corruption pandemic, Sujata's close involvement in a ticketing scam that helped bankrupt the national airline is particularly egregious. End comment.)

All a Royal "Strategem"?

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15. (C) Poloff met with Nepali Congress Central Committee member Govinda Raj Joshi on August 28 to ask if the parties were altering their plans for September 4 in light of the Maoist decision to break the ceasefire. While the Embassy supports the right of democratic parties to peaceful assembly, the Maoists' successful assassination of an Army colonel in the capital (Ref C) proves that the insurgents are prepared to unleash their violence on the streets of Kathmandu, she noted. The party leadership has a responsibility to its workers not to put them in harm's way. A crisis of this nature calls for national unity, rather than political divisiveness, by all legal, democratic forces, she said. Is there some way the parties could work with the GON against the Maoists? Joshi countered by asking why the Maoists decided to break the ceasefire so close to the date of the parties' rally. Perhaps it was all a royal "strategem," he suggested, to give the GON/Palace an excuse to suppress the rally. The parties have to hold the September 4 rally to disprove royalist rumors that they have no popular support, he said, and cannot accept the potential for Maoist violence as a justification for being "sidelined forever." The interim government of Prime Minister Surya Bahadur Thapa, appointed with a mandate to bring peace to the country and to hold elections, has proven unable to do either, he charged.

16. (C) Poloff pointed out that the parties and the GON/Palace share the same principles. These common values should help them cooperate against the Maoists, rather than divide them. The Nepali Congress supports the institution of the monarchy, Joshi responded, but this King has soured the political atmosphere and fanned mistrust by his "personal behavior," encouraging rivalries and dissension within the middle ranks of the party leadership. Now no one in the parties trusts him, Joshi said bluntly. He hinted that a Palace emissary had recently approached party representatives to sound them out once again about participation in an all-party government, but Joshi expressed strong suspicion of the King's actual motives. Noting that the party has had no direct contact with the King since he solicited (and then rejected) the parties' consensus nomination for Prime Minister in June, he urged the Embassy to use its influence with the King to make an overture toward the parties. The US, as a democratic country, should support the Nepali Congress more openly as the only truly democratic party in Nepal, he argued. The UML, for all its democratic pretensions, is still a Communist party and thus undeserving of US support, he concluded. Poloff responded that while the Embassy supports the idea of an all-party government and has long maintained friendly relations with the Nepali Congress, it cannot promote one candidate or party over others.

UML Mulling It Over

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17. (C) In an August 29 meeting, Communist Party of Nepal - United Marxist Leninist (UML) Central Committee member Bharat Mohan Adhikari said that his party is reassessing holding the rally in light of the break in the ceasefire. The main problem facing the nation is the Maoists, he agreed; the parties and the Palace ought to be able to work together to confront the insurgency. But even before the Maoists broke the ceasefire, the GON was attempting to suppress the rally, he charged, limiting the number of buses and other vehicles allowed to enter the capital. The parties want to use the rally to prove to both the King and the Maoists the extent of their grass-roots support. That said, they do not want violence, he said, and thus will review the situation and

make a final decision over the next few days.

18. (C) Adhikari reported a recent meeting with an unidentified Palace emissary who intimated that the King might once again ask the parties for a consensus nomination for a Prime Minister to head an all-party government. If that were the case, Adhikari asked, and the parties once again chose UML General Secretary Madhav Nepal, what would be the US reaction? Poloff replied that an all-party government seems the best solution, but the US has no preference for an individual candidate or party to lead such a government. Adhikari brushed aside suggestions that the Indians might not accept Nepal as a candidate.

Comment
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19. (S) Despite their bombast against "royal regression," the parties recognize the Maoists pose a greater, more immediate threat to their viability than the Palace. Maoist violence over the past month has targeted UML and Nepali Congress party workers as well as members of the security forces. In the parties' view, they have pumped up the hype about the September 4 rally too much to back down now. That said, they seem to appreciate the clear danger that the rally could turn violent and uncontrollable--thereby further discrediting their "popular" image. We suspect they would welcome a deus ex machina that would preclude holding the rally without making them lose face by canceling it. Another Palace overture to form an all-party government might provide just such an out. We, along with other friendly missions, will urge the Palace to consider such a move and the parties to accept it.
MALINOWSKI